REVIEW OF PROFESSIONAL BOXING IN ONTARIO

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Note: Personal Information Has Been Severed from the Original Report

INTRODUCTION

In the spring of 2000, The Honourable Bob Runciman, MPP, then Minister of Consumer and Commercial Relations, asked us to undertake a review of professional boxing in Ontario and to report back to him with our findings.

The minister indicated to us that he believed such a review was both necessary and timely because of the apparent decline in the state of the boxing industry in Ontario over the past three or four decades.

We were therefore asked to investigate what impediments might currently stand in the way of a more vigorous professional boxing industry in Ontario, and to make recommendations on what steps the province might take to help strengthen the industry and ensure that safety in boxing remains of paramount importance.

The issues to be considered by our review were to include but not be limited to the regulatory regime in place in Ontario, current taxation policy, and the availability of appropriate facilities in which to stage events.

CONTEXT

Professional Boxing in Ontario is governed by the *Athletics Control Act* and its attendant regulations administered through the Ministry of Consumer and Business Services.

The *Athletics Control Act* sets out the terms and conditions under which the professional boxing industry operates in Ontario. In general the *Act* calls for the appointment of an Athletics Commissioner who is "*responsible for the supervision of professional contests and exhibitions and, under the direction and control of the Minister, shall assist in the administration of this Act and the regulations*".

Since Ontario introduced the *Athletics Control Act* in 1940, the focus of the government's interest in boxing has been and remains the health and safety of the boxers and the fair conduct of boxing matches.

Beyond this purely regulatory aspect, however, the province recognises that professional boxing matches, particularly high-profile title bouts, have the potential to confer a significant economic benefit on the host community. Ontario is therefore in effect competing with other jurisdictions in the process of attracting major title bouts. This raises questions of how Ontario

compares to these other jurisdictions on the various factors that are weighed by boxers, promoters and others when determining where a title bout will take place.

When our review was announced in the Ontario Legislature, the Minister indicated that he had asked us "to consider all aspects of the sport in order to develop recommendations that will continue to ensure high levels of health and safety while enhancing activity opportunities in the province."

In this context, then, our review considered not just the regulatory regime but also the whole range of factors, which bear on the boxing industry and investigated how Ontario compares to other jurisdictions in regard to these factors.

METHODOLOGY

Our review was announced in the Ontario Legislature on 9 May 2000. A letter was sent to individuals and organizations identified as having an interest in boxing inviting them to participate in the review. Others who heard about the review in the media or second hand contacted the Ministry and these people also were invited to participate either by meeting with, speaking with or making a written submission to, the review team.

Participants in this process included former and current boxers, trainers, promoters, representatives from facilities which have been or could be used as boxing venues, television production personnel, members of the media and officials from boxing or athletic commissions in other jurisdictions.

Six meeting dates were held throughout the summer and fall of 2000 in Toronto. In addition, the review team attended a boxing match held at Casino Rama in September 2000 and a title fight held in Las Vegas in November 2000.

We must commend all the people who came forward to spend the time necessary to assist us with this project. All those we interviewed had a passionate love for the sport. Many spent a considerable amount of time preparing for our meeting even preparing written submissions.

ACKNOWLEDGEMENTS

We are grateful for the support of staff from the Ministry of Consumer and Business Services during the course of this review. We wish to acknowledge the willing co-operation and assistance of Ontario's Athletic Commissioner, Mr. Ken Hayashi throughout this process.

In addition, we would like to thank the Honourable Bob Runciman, MPP, previous Minister of Consumer and Commercial Relations, for the invitation to conduct this review and the opportunity to make the recommendations contained in this report.

WHAT WE HEARD

During the course of this review we had the opportunity to speak with people involved in all aspects of the boxing industry with a wide variety of viewpoints. Naturally enough there was little agreement on what ails the industry and how it should be fixed.

The range of perspectives notwithstanding, most of our discussions with stakeholders tended to be focused on four key themes, although there is obviously some overlap between these themes:

1. Economics of the boxing industry
2. Market for boxing in Ontario – Developing fan interest
3. Effectiveness of the regulatory regime
4. Health and safety of boxers

We have therefore arranged our report to summarise what we heard in each of these areas followed by our findings and recommendations.

ECONOMICS OF THE BOXING INDUSTRY

Competition from other jurisdictions

Competition for professional bouts comes primarily from Quebec, New York, New Jersey, Michigan, Nevada and Pennsylvania. With respect to major championship bouts, the two major casino states – New Jersey and

Nevada – are the major competition. We also understand that casinos on First Nations Reserves are increasingly competitive in attracting fights.

Casinos

Review participants from Ontario and from other jurisdictions emphasised that the boxing industry has a positive relationship with the gaming industry and with casinos in particular.

We heard that the Casinos in Las Vegas actively work together to attract title fights to that city by committing to purchase tickets and by providing rooms and other facilities. The Nevada State Boxing Commission estimated that a major title fight (such as the Lennox Lewis vs. David Tua fight in November 2000) would bring in between $50 million and $75 million (US) to the Las Vegas economy. Casino traffic is much higher around title fights. Clearly there are spin off benefits for the broader community – including the hotels and restaurants and even the casinos other than the one hosting the event.

The fact that there is no tax on casino winnings in Canada could be used to promote Ontario casinos as a venue for boxing.

The review heard that the potential fan base for the high profile title bouts which might be held in Ontario is not limited to Ontario. Promoters suggest that significant numbers of boxing fans could be drawn from the United States and from overseas, and that boxing should be viewed as a tourism opportunity.

Low Canadian Dollar

The low Canadian dollar, as in other sports, makes Ontario less competitive. Expenses such as guarantees to fighters are in US dollars but revenue is in Canadian Dollars. It is worth pointing out, however, that more than one review participant suggested that it also presents a marketing opportunity with respect to the role of casinos. The low Canadian dollar compared to the US dollar may be a competitive advantage because the same amount of money goes farther in an Ontario casino than in an American competitor.

Taxes

Ontario has a "gate tax" on professional boxing (or wrestling) contests which, according to the *Athletics Control Act* must be between 1% and 5%

of the gross receipts (ticket sales) for that contest. By regulation, this tax is currently set at 2% of gate. In addition, admission charges are also taxed (7% GST and 10% provincial Retail Sales Tax.)

We heard from promoters and from officials in other jurisdictions that taxes are much higher in Ontario, and in Canada generally, which is a deterrent to promoters.

Recommendations

1. For major bouts, the combined effect of GST, Retail Sales Tax and the 2% gate tax can make the fight non-competitive to the Ontario promoter. We recommend that consideration be given to:

- Amending the regulations under the *Athletics Control Act* to reduce the current 2% gate tax to 1%; and/or:

- Amending the *Retail Sales Tax Act* and regulations to set an upper limit or "cap" on the sales tax payable on ticket sales associated with any single professional boxing event.

2. *That the Ontario government encourage the Ontario Casino Corporation to work with local economic development departments, with visitor and convention bureaus and chambers of commerce to explore opportunities for co-operation in attracting high-profile title fights to Ontario.*

MARKET FOR BOXING IN ONTARIO

Bad Reputation of Boxing

Fan interest in boxing is subject to a number of factors which are obviously outside the control of the Ontario government. A number of presenters suggested that boxing suffers from the impression that corruption and the criminal element have been in the past or continue to be involved in the sport.

It is not the role of the government to engage in public relations on behalf of the boxing industry. However we make the observation that boxing suffers from not having a strong voluntary central body or league that could set and enforce standards of behaviour and could co-ordinate the marketing

of the sport. In other professional sports, the league is intimately involved in co-ordinating marketting.

We also suggest that promoting Ontario's current reputation as a jurisdiction in which the regulatory regime around boxing is strictly, fairly and competently enforced may help to enhance the perception of boxing as a legitimate professional sport.

Amateur Boxing

"Local talent is the key. Start with the kids and work from the ground up."
Boxing Promoter

One issue on which the review team found a significant degree of consensus was with respect to the need to develop and promote amateur boxers both as a source of future professionals and as a means of developing fan interest.

Virtually all those who met with or spoke with the review team suggested that Ontario should permit amateur and professional boxers to appear on the same card. They indicated that the current practise of not permitting 'pro-ams' is a disservice to the development of amateur boxers, and prevents fans from becoming interested in local talent as young boxers move from the amateur to the professional ranks.

"Pro-ams give the kids a chance to see what will happen on the professional level, it builds their experience—it's a good thing"
Boxing Promoter

We heard that Ontario is the only Canadian jurisdiction in which pro-ams are not currently permitted. We also heard from the Chair of the Association of Boxing Commissions in the United States, that pro-ams are a good idea and that some states which do not currently allow them are moving to change their rules to permit the practise.

In order for the professional boxing industry once again to thrive in Ontario it is necessary for a local amateur boxer to become more competitive (and to develop a fan following). We believe that permitting pro-ams would be helpful in this regard.

Currently amateur boxing, while not regulated by the Ontario government, receives some funding from the Ministry of Citizenship, Culture and

Recreation. This creates the impression, at least, that amateur and professional boxing are regulated by different ministries within the government. Although we do not necessarily suggest that responsibility for amateur boxing should be transferred to the Ministry of Consumer and Business Services, we do believe the ministries should work together and with Boxing Ontario (the body that recognises and sponsors amateur boxing matches) to facilitate pro-am cards in Ontario.

Recommendations

3. With all the government cuts there has certainly been a drastic reduction in money from the government available to amateur boxing. Ontario has a very well run casino industry and, as we have outlined above, casinos will be the beneficiary of revenues tied in with professional boxing. We therefore recommend *that a small contribution in the range of $250,000 be mandated from the Ontario Casino Corporation towards the support of amateur boxing in Ontario.*

4. Ontario is the only jurisdiction *(in Canada)* that does not allow amateur and professional boxing on the same cards. *We recommend that the ministries involved work together to allow 'pro-ams.'*

EFFECTIVENESS OF THE REGULATORY REGIME

The review team heard from some witnesses who had comments about the role of the commissioner. Some felt that the commissioner was overstepping his responsibility to protect the health and safety of boxers and was getting into the role of "matchmaker". We do not agree. Our view is that the Commissioner is doing his job and following the regulations as they are set out.

However, there are some grey areas in the legislation and regulations. Having seen Boxing Commissions in other jurisdictions, we feel it would be helpful not to have the Ontario commissioner "on his own".

We recommend, therefore, that consideration be given to creating a Boxing Commission to assist the commissioner by hearing appeals and providing advice and council to the commissioner on the interpretation of the legislation and regulations.

Recommendations

5. *That Ontario amend the Athletics Control Act to establish a (three person) independent boxing commission, and that at all times at least one of the (three) members of the commission be a medical doctor*

6. *That Ontario (through the aforementioned Boxing Commission) work to keep abreast of changes to the rules governing boxing in other jurisdictions including both Canadian Provinces and American States, with a view to developing greater uniformity of regulatory structures and practises across jurisdictions.*

7. *That criteria for selecting judges, referees and other officials be standardised or harmonised to the extent practical with practises in other jurisdictions including both Canadian Provinces and American States.*

HEALTH AND SAFETY OF THE BOXERS

We would recommend against any loosening of the requirements around medical testing. We are, however, sympathetic to the comments we received that the prescribed tests and the circumstances under which specific tests must be performed may not necessarily represent current best practises within the medical community. There is clearly a need to review regulatory requirements to keep practises current.

Recommendations

8. *That Ontario (through its Boxing Commission) work to find a better way to ensure that suspensions issued in one jurisdiction may be communicated to and enforced in all other jurisdictions.*

9. *That Ontario (through its Boxing Commission) work to find a better way to ensure that medical information about boxers can be obtained, stored and accessed by the relevent boxing commission and ring-side physician.*

10. *That the allowable weight differential between boxers in Ontario be reduced from eight (8) pounds to five (5) pounds, and that a limit be*

set on the amount of weight a boxer may be permitted to lose within one hour of the weigh-in.

11. *That regulations under the* Athletics Control Act *which deal with prescribed tests for boxers and the timing of these tests be moved to Minister's order or another more flexible instrument so that there is a greater ability to respond to changes in medical practise and technology, and harmonize with best practises from other jurisdictions more quickly.*

12. *That a better method to monitor injuries incurred during training be developed, since all injuries, not just those that occur during sanctioned bouts have an impact on the health and safety of the boxers.*

13. *Ontario should consider membership in the Canadian Boxing Federation provided it does not pose a regulatory conflict of interest.*

SUMMARY OF RECOMMENDATIONS

We have made a number of recommendations which if adopted would, we believe, ensure the health and safety of the boxers and the fair conduct of boxing matches and lead to a more vigorous boxing industry in Ontario. We recognize that some of these recommendations may not be within the jurisdiction of the Ontario government to act upon.

We emphasise that these recommendations are ours alone and do not presume to reflect the views of the Minister of Consumer and Business Services or the Government of Ontario.

ADDITIONAL REFERENCE MATERIAL REVIEWED

"Boxing Task Force Report on Findings and Recommendations", National Association of Attorney's General, New York Attorney General, Eliot Spitzer, Chair and Illinois Attorney General Jim Ryan, Vice Chair, May 2000.